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ABSTRACT

The enactment of a compensation model that rewards educators' efficiency and creativity is a goal for the current decade. Both inflationary trends and the accountability movement act as motivators for the introduction of a merit pay scale. Current compensation models guarantee income regardless of effort. Through this failure to reward productivity and innovation, individual initiative is reduced. Efforts to establish this program might be introduced as part of a salary package presented to employee groups. Those who accept the challenge of creating a merit system will examine what they are doing, establish priorities and goals, and devise a means of measuring their own goal achievement. Only after a successful productivity program will the public begin to accept the efforts of the public employee as worthy of respect and higher compensation. The barrier is fear of innovation, which is reinforced by a lack of incentive for success. The elements necessary to overcome this fear are leadership and the courage to accept the challenge. Successful competition will result in financial rewards for increased productivity. (Author/JK)

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Productivity Pay
A Goal for the '80's

Paper presented at the Convention of the
Association of School Business Officials
New Orleans, Louisiana

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by

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Productivity Pay - A Goal For the '80's

School Business - The function of the officials, often called administrators or staff - who are faced with a variety of demands from various constituencies which each plead their cause before the School Board. Most frequently these causes involve the utilization of one of our most limited resources - finances. Some of these constituences while flying the flag for their cause also support, even actively advocate, a limitation on financing. We have only to look at Propositions 13 and 9 in California, and the ripple effect across this nation; add to this the pressures of the inflated dollar, retrenchment, belt-tightening, reduced student enrollment and staff reduction and the heat is felt by all.

Given the events of the past two decades, you can add to this mixture the public's suspect attitude of all political institutions. Increasingly, we hear the call for "proof" that the public's tax dollars are being utilized wisely and that the results, namely the educational product, meet some unspecified standard.

Historically, public service has had as one of its corner stones a belief that all employees are dedicated to the political entity for which they work. It was accepted that the public servant, as a result of this dedication, would provide to the tax-payers more services than the dollars he received.

Match this historical, perhaps hysterical, notion against todays society. Recent articles in popular magazines, as diverse as Time and U.S. News & World Reports, have featured articles on the "Me First" attitude rampant in this country. It is reflected in the public and private sectors. Anything and everything comes before the job. The illness of a family member (as if the employee is a physician), a doctor's visit, a legal consultation, a vacation period, a flat tire, you name it - all must be taken care of - and the expectation is that the employer should 'cover" for the absent employee. There is little doubt that some of this has been fostered by an equally insensitive management which acted as if the employee were bound to a job by chains.

Add to all of this the pressures, the buzz work today is stress, generated by the inflationary erosion of the spendable income of employees.

So in the public sector calls for less expenditures, a changing work ethic, inflation, but more services, and you as a business official are between a rock and a hard place.

In the public service, nearly a half-century ago, we began to develop a concept which today can be characterized as a 'civil service' mentality. Somehow we compared the worth of all jobs and under whatever wage and salary administration scheme adopted, set up schedules of pay for each classification of job. A common denominator was established and all persons were paid according to that schedule. It usually had a series of incremental steps, which over the years have been expanded, plainly to achieve a higher rate of pay. Please remember from your arithmetic we always sought the lowest common denominator!

You may say, "Wait a Minute; don't we have built in merit pay. Recognition of greater achievement?" I ask you, who is the decision maker? Usually, the immediate supervisor, who wants to look good to his/her supervisor. Reflect upon how many terminations are stopped when prior evaluations are paraded out with average or acceptable ratings. In rare instances, sufficient honesty will cause some administrator to admit - "That's what we give our worst employees." Merit pay serves the supervisor.

I do not make light of efforts to evaluate or hold people accountable. The demand for service is answered in the political arena and every school district in America has some type of evaluation process. Reflect if you will on the frequency with which these processes bring unproductive employees to termination. The existing public wisdom will say, "Rarely."

Accountability, in the private sector, referred to as "performance appraisal", is responded to by most as a "necessary evil." The American Management Association, in a recent study, gave most such systems a three year life span before being junked and replaced.

In a recent article in The Atlantic, efforts were made to determine what was wrong with the American Industrial Complex as compared to Japan or West Germany. While a variety of reasons were explored, major attention was given to the productivity of the American worker. This did not always relate to the number of units produced, but the quality of the units produced.

The challenge we all face is not the justification of the time expended to get the next increment, but rather to accept the challenge of compensation for one's contribution to the efforts or goals of the school district we serve. The acceptance of this challenge could by the end of the decade cause an erosion of the salary schedule as we know it today.

Compensation models today, especially in the public sector, guarantee income regardless of effort. Worse, it cuts-off initiative by a failure to reward creativity, and innovation - the building of a better mouse trap.

Many are content to conduct business as usual, because it will not rock the boat or make waves, rather than take actions which will be more productive. The record indicates administrative fear to broach a new concept, fear of making a mistake, a comfortable feeling with the status quo. Why propose a change now? Encouragement to be more productive.

Is it possible that what public employees perceive as low pay is the result of a public belief that they are non-productive? Let any new idea come on line, some new administrative move be proposed and the first cry is, "We need more personnel, and more money!"

Frequently measuring productivity is viewed as seeing how much more we can squeeze into our 8 hour day; but there is no challenge or reward for finding a way to more efficiently accomplish what needs to be done in that eight hour day, so time is available to create.

Remember, earlier the pressures of inflation upon staff was touched upon. Employees want salary up-graded so that they can retain a comparable life style.

It is now time to entertain a compensation model, which in the beginning, will at least partially address this need, by incorporating measurable outcomes as a compensation factor.

Controversial - Absolutely! Unpopular? Of course. The advocacy of the unpopular can be costly. But that's what leadership is all about. To raise another banner in the face of public pressure and employee resistance.

The goal is to recognize the productive out-put of a unit within an organization, as it seeks to work toward organizational objectives.

While there are many ways that any organization can cut costs - none address the needs of productive employees to improve their economic condition.

What is the barrier? Fear. Fear to try something new; because we have not been challenged to try - and there is no incentive for success. Fear to free subordinates to develop and implement new models, to promote better service more efficiently and there is no incentive for success.

Enhancement of compensation by measurable productivity goals requires that all employees be able to participate and benefit. Many units will opt out, but a few will accept the challenge. They will look at what they are doing, what

needs to be done and set down some priorities, some goals, some method of measuring the achievement of these goals, preferably by an outside evaluation, using the criteria established on the front end.

We in the educational world must be careful as we approach such a task. The educationist seeks time to investigate, "do research" (meaning re-invent the wheel), one can use two years of delaying tactics to get to the starting line. Given the present mood of the public, we do not have that much time. In this state the political wisdom is already moving into strategies which will insure accountability. These strategies will generate many reports, much paper, lost time and little accountability; because, there is no built in mechanism to cause one to change - no incentive to be productive.

The initial efforts will be resisted in the name of loss of morale -as if there is great morale at present. It will be resisted because it challenges the status quo. It will be resisted because of individual insecurity.

Ask yourself - would you be willing to subject yourself to compensation based upon a set of standards which can measure your productivity - translated as how much better you perform for your organization? Your first major objective might be to reorganize yourself and your operation by critically examining how you presently operate, so that the useless and inefficient are replaced in such a manner so that you are freed to do what needs to be done.

It might be appropriate to point out that most job appraisals begin with the lowest categories of employees. What has been outlined requires the type of leadership that must begin at the top.

To begin a compensation program related to productivity requires an allocation of money from your Board.

Work must began to get some unit to accept the idea. Don't be disappointed if you have no takers the first time around.

Efforts to achieve the initial steps in this program might be introduced as part of a salary package presented to employee groups. In the collective bargaining arena the skill of negotiations may bring acceptance of such a concept. Where negotiated agreements exist in the public sector, some unions are now looking at ways in which they can, with political sub-divisions, address the concerns of the public about the growing tax burden and the tax payers attitude about public employees.

No two districts will find a single stragety that will work. An anaylsis of local demands and the strength of the parties will, in part, dictate how one should move.

Every affected employee must have the opportunity to participate.

Successful competition will result in financial rewards for increased productivity. Lack of success will result in no reward, causing the less productive to seek other employment.

Only after a successful productivity program will the public begin to accept the efforts of the public employee as worthy of respect and higher compensation.

We will have fewer TGIF employees and more TGIM employees. People who believe that within their job is worth, creativity - a place one wants to be on Monday morning.

The two elements lacking are leadership and the courage to accept the challenge.

What has been outlined today is a concept which will recognize in a tangible way the productive output of employees, initially at the unit level, once the idea is accepted and approved. Additionally, successful efforts can begin to build in the public's mind the belief that public employees are in fact productive and worthy of tax-payers support.

Are you ready for this challenge in the '80's?